



General Assembly

February Session, 2000

***Raised Bill No. 5885***

LCO No. 2515

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

***An Act Concerning Payment In Lieu Of Tax Revenue For  
Electric Generation Facilities And Certain Property Assessment  
And Tax Exemption Related Forms.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Subsection (d) of section 12-94d of the general statutes is  
2 repealed and the following is substituted in lieu thereof:

3 (d) On or before June fifteenth, annually, following the assessment  
4 [year during] date for which the value of an electric generation facility  
5 decreases as a direct result of restructuring of the electric industry, the  
6 assessor or board of assessors of a municipality in which such a facility  
7 is located shall certify to the Secretary of the Office of Policy and  
8 Management, on a form furnished by the secretary, the amount as  
9 computed in subsection (c) of this section together with supporting  
10 information as the secretary may require. The secretary may reevaluate  
11 any such facility when, in his judgment, the valuation is inaccurate.  
12 The secretary shall review each claim and modify the value of any  
13 facility included therein when, in his judgment, the value is inaccurate  
14 or the facility did not decrease in value as a direct result of  
15 restructuring of the electric industry. Not later than December first

16 next succeeding the conclusion of the assessment year for which the  
17 amount was approved by the assessor or assessors, the secretary shall  
18 notify the municipality in which the facility is located of the  
19 modification, in accordance with the procedure set forth in subsection  
20 (e) of this section. The secretary shall, on or before December fifteenth,  
21 annually, certify to the Department of Public Utility Control the  
22 amount due the municipality under the provisions of this section,  
23 including any modification of such amount made prior to December  
24 first, and the department shall order the payment of such amount by  
25 the appropriate electric distribution company to the municipality in  
26 which the facility is located on or before the thirty-first day of the  
27 December immediately following. The amount paid shall be recovered  
28 by the electric distribution company through the systems benefits  
29 charge established pursuant to section 16-245l. If any modification is  
30 made as the result of the provisions of this section on or after the  
31 December fifteenth following the date on which the assessor has  
32 provided the amount in question, any adjustments to the amount due  
33 to a municipality for the period for which such modification was made  
34 shall be made in the next payment the electric distribution company  
35 shall make to such municipality pursuant to this section.

36 Sec. 2. Subsection (a) of section 12-63c of the general statutes is  
37 repealed and the following is substituted in lieu thereof:

38 (a) In determining the present true and actual value in any town of  
39 real property used primarily for purposes of producing rental income,  
40 the assessor, which term whenever used in this section shall include  
41 assessor or board of assessors, shall have power to require, subject to  
42 the conditions in subsection (b) of this section, in the conduct of any  
43 appraisal of such property pursuant to the capitalization of net income  
44 method, as provided in section 12-63b, that the owner of such property  
45 annually submit or make available to the assessor not later than the  
46 first day of June, on a form [prescribed by the Secretary of the Office of  
47 Policy and Management or approved in accordance with section 12-61]  
48 provided by the assessor, the best available information disclosing the

49 actual rental and rental-related income and operating expenses  
50 applicable to such property.

51 Sec. 3. Subdivision (7) of section 12-81 of the general statutes is  
52 repealed and the following is substituted in lieu thereof:

53 Subject to the provisions of sections 12-87 and 12-88, the real  
54 property of, or held in trust for, a corporation organized exclusively for  
55 scientific, educational, literary, historical or charitable purposes or for  
56 two or more such purposes and used exclusively for carrying out one  
57 or more of such purposes and the personal property of, or held in trust  
58 for, any such corporation, provided (a) any officer, member or  
59 employee thereof does not receive or at any future time shall not  
60 receive any pecuniary profit from the operations thereof, except  
61 reasonable compensation for services in effecting one or more of such  
62 purposes or as proper beneficiary of its strictly charitable purposes,  
63 and provided (b) in 1965, and quadrennially thereafter, a statement [on  
64 forms prepared by the Secretary of the Office of Policy and  
65 Management] shall be filed on or before the [last] first day [required by  
66 law for the filing of assessment returns] of November with the [local]  
67 assessor or board of assessors of any town, consolidated town and city  
68 or consolidated town and borough, in which any of its property  
69 claimed to be exempt is situated. Such statement shall be filed on a  
70 form provided by such assessor or board of assessors. On and after  
71 July 1, 1967, housing subsidized, in whole or in part, by federal, state  
72 or local government and housing for persons or families of low and  
73 moderate income shall not constitute a charitable purpose under this  
74 section.

75 Sec. 4. Subdivision (10) of section 12-81 of the general statutes is  
76 repealed and the following is substituted in lieu thereof:

77 Subject to the provisions of sections 12-87 and 12-88, property  
78 belonging to, or held in trust for, an agricultural or horticultural  
79 society incorporated by this state which is used in connection with an  
80 annual agricultural fair held by a nonprofit incorporated agricultural

81 society of this state or any nonprofit incorporated society of this state  
82 carrying on or promoting any branch of agriculture, provided (A) said  
83 society shall pay cash premiums at such fair amounting to at least two  
84 hundred dollars, (B) said society shall file with the Commissioner of  
85 Agriculture on or before the thirtieth of December following said fair a  
86 report in such detail as the commissioner may require giving the  
87 names of all exhibitors and the amount of premiums, with the objects  
88 for which they have been paid, which statement shall be sworn to by  
89 the president, secretary or treasurer if the society, (C) any officer,  
90 member or employee thereof does not receive or at any future time  
91 shall not receive any pecuniary profit from the operations thereof  
92 except reasonable compensation for services in the conduct of its  
93 affairs and (D) in 1965, and quadrennially thereafter, a statement [on  
94 forms prepared by the Secretary of the Office of Policy and  
95 Management] shall be filed on or before the [last] first day [required by  
96 law for the filing of assessment returns] of November with the [local]  
97 assessor or board of assessors of any town, consolidated town and city  
98 or consolidated town and borough in which any of its property  
99 claimed to be exempt is situated. Such statement shall be filed on a  
100 form provided by such assessor or board of assessors. For purposes of  
101 this subsection, "fair" means a bona fide agricultural exhibition  
102 designed, arranged and operated to promote, encourage and improve  
103 agriculture by offering premiums and awards for the best exhibits of  
104 two or more by the following branches of agriculture: Crops, livestock,  
105 poultry, dairy products and homemaking.

106 Sec. 5. Subdivision (16) of section 12-81 of the general statutes is  
107 repealed and the following is substituted in lieu thereof:

108 Subject to the provisions of section 12-88, all property of, or held in  
109 trust for, any Connecticut hospital society or corporation or  
110 sanatorium, provided (a) no officer, member or employee thereof  
111 receives or, at any future time, shall receive any pecuniary profit from  
112 the operations thereof, except reasonable compensation for services in  
113 the conduct of its affairs, and (b) in 1967, and quadrennially thereafter,

114 a statement [on forms prepared by the Secretary of the Office of Policy  
115 and Management] shall be filed by such hospital society, corporation  
116 or sanatorium on or before the [last] first day [required by law for the  
117 filing of assessment returns] of November with the [local] assessor or  
118 board of assessors of any town, consolidated town and city or  
119 consolidated town and borough, in which any of its property claimed  
120 to be exempt is situated. Such statement shall be filed on a form  
121 provided by such assessor or board of assessors.

122 Sec. 6. Subsection (c) of subdivision (59) of section 12-81 of the  
123 general statutes is repealed and the following is substituted in lieu  
124 thereof:

125 (c) The completion date of a manufacturing facility, manufacturing  
126 plant or a service facility will be determined by the Department of  
127 Economic and Community Development taking into account the  
128 issuance of occupancy certificates and such other factors as it deems  
129 relevant. In the case of a manufacturing facility, manufacturing plant  
130 or a service facility which consists of a constructed, renovated or  
131 expanded portion of an existing plant, the assessed valuation of the  
132 facility or manufacturing plant is the difference between the assessed  
133 valuation of the plant prior to its being improved and the assessed  
134 valuation of the plant upon completion of the improvements. In the  
135 case of a manufacturing facility, manufacturing plant or a service  
136 facility which consists of an acquired portion of an existing plant, the  
137 assessed valuation of the facility or manufacturing plant is the assessed  
138 valuation of the portion acquired. This exemption shall be applicable  
139 during each such assessment year regardless of any change in the  
140 ownership or occupancy of the facility or manufacturing plant. If  
141 during any such assessment year, however, any facility for which an  
142 eligibility certificate has been issued ceases to qualify as a  
143 manufacturing facility, manufacturing plant or a service facility, the  
144 entitlement to the exemption allowed by this subdivision shall  
145 terminate for the assessment year following the date on which the  
146 qualification ceases, and there shall not be a pro rata application of the

147 exemption. Any person who desires to claim the exemption provided  
148 in this subdivision shall file annually with the assessor or board of  
149 assessors in the distressed municipality, targeted investment  
150 community or enterprise zone designated pursuant to section 32-70 in  
151 which the manufacturing facility or service facility is located, on or  
152 before the first day of November, written application claiming such  
153 exemption on a form prescribed by the Secretary of the Office of Policy  
154 and Management. Failure to file such application in this manner and  
155 form within the time limit prescribed shall constitute a waiver of the  
156 right to such exemption for such assessment year, unless an extension  
157 of time is allowed [by the Secretary of the Office of Policy and  
158 Management as set forth in] pursuant to section 12-81k, and upon  
159 payment of the required fee for late filing.

160 Sec. 7. Subsection (c) of subdivision (60) of section 12-81 of the  
161 general statutes is repealed and the following is substituted in lieu  
162 thereof:

163 (c) This exemption shall terminate for the assessment year next  
164 following if the manufacturing facility or service facility in which such  
165 machinery and equipment is installed no longer qualifies for an  
166 exemption under said subdivision (59), and there shall not be a pro  
167 rata application of the exemption of such machinery and equipment in  
168 the assessment year of such termination. Any person who desires to  
169 claim the exemption provided in this subdivision shall file annually  
170 with the assessor or board of assessors in the distressed municipality,  
171 targeted investment community or enterprise zone designated  
172 pursuant to section 32-70 in which the manufacturing facility or service  
173 facility is located, on or before the first day of November, written  
174 application claiming such exemption on a form prescribed by the  
175 Secretary of the Office of Policy and Management. Failure to file such  
176 application in this manner and form within the time limit prescribed  
177 shall constitute a waiver of the right to such exemption for such  
178 assessment year, unless an extension of time is allowed [by the  
179 Secretary of the Office of Policy and Management as set forth in]

180 pursuant to section 12-81k, and upon payment of the required fee for  
181 late filing. This exemption shall not apply to rolling stock.

182 Sec. 8. Subdivision (70) of section 12-81 of the general statutes is  
183 repealed and the following is substituted in lieu thereof:

184 New machinery and equipment used directly in the manufacturing  
185 of goods or products and acquired through purchase by any business  
186 organization or any affiliate of such business organization as part of a  
187 technological upgrading of the manufacturing process at a location in a  
188 distressed municipality, targeted investment community, as defined in  
189 section 32-222, or enterprise zone designated pursuant to section 32-70,  
190 and for which an eligibility certificate has been issued by the  
191 Department of Economic and Community Development, which  
192 business organization (A) is engaged in the manufacturing, processing  
193 or assembling of raw materials, parts or manufactured products, (B)  
194 has been in continuous operation in the state for a period not less than  
195 five years prior to claiming the exemption provided in this  
196 subdivision, (C) had gross receipts in an amount less than twenty  
197 million dollars in the year prior to claiming the exemption provided in  
198 this subdivision, including receipts of any affiliates of the business  
199 organization and (D) has incurred costs in acquiring such machinery  
200 and equipment not less than the greater of (i) two hundred thousand  
201 dollars or (ii) two hundred per cent of the business organization's and  
202 affiliate's average expenditure for the acquisition of machinery and  
203 equipment used directly in the manufacturing of goods or products at  
204 the location in the distressed municipality, targeted investment  
205 community or enterprise zone designated pursuant to section 32-70  
206 during the three years prior to claiming the exemption provided in this  
207 subdivision, as follows: To the extent of fifty per cent of its valuation  
208 for purposes of assessment in each of the five full assessment years  
209 following the assessment year in which such machinery and  
210 equipment is acquired. Any person who desires to claim the  
211 exemption provided in this subdivision shall file annually with the  
212 assessor or board of assessors in the distressed municipality, targeted

213 investment community or enterprise zone designated pursuant to  
214 section 32-70 in which the business organization is located, on or  
215 before the first day of November, written application claiming such  
216 exemption on a form prescribed by the Secretary of the Office of Policy  
217 and Management. Failure to file such application in this manner and  
218 form within the time limit prescribed shall constitute a waiver of the  
219 right to such exemption for such assessment year, unless an extension  
220 of time is allowed [by the Secretary of the Office of Policy and  
221 Management as set forth in] pursuant to section 12-81k, and upon  
222 payment of the required fee for late filing. No person shall be eligible  
223 to receive the exemption provided in this subdivision if such  
224 exemption is sought for machinery and equipment located in a  
225 manufacturing facility as defined in subsection (d) of section 32-9p,  
226 currently receiving assistance under subdivisions (59) and (60) of  
227 section 12-81, and no person shall receive such exemption for eligible  
228 machinery or equipment at each location in a distressed municipality,  
229 targeted investment community or enterprise zone designated  
230 pursuant to section 32-70 more than once in any continuous five-year  
231 period. The state and the municipality and district shall hold a security  
232 interest, as defined in subdivision (37) of section 42a-1-201, in any  
233 machinery or equipment which is exempt from taxation pursuant to  
234 this subsection, in an amount equal to the tax revenue reimbursed or  
235 lost, as the case may be, which shall be subordinate to any purchase  
236 money security interest, as defined in section 42a-9-107. Such security  
237 interest shall be enforceable against the taxpayer for a period of five  
238 years after the last assessment year in which such exemption was  
239 received in any case in which the business organization ceases all  
240 business operations or moves its business operations entirely out of  
241 this state.

242 Sec. 9. Subdivision (74) of section 12-81 of the general statutes, as  
243 amended by section 1 of public act 99-280, is repealed and the  
244 following is substituted in lieu thereof:

245 (74) (A) (i) For a period not to exceed five assessment years



246 following the assessment year in which it is first registered, any new  
247 commercial truck, truck tractor, tractor and semitrailer, and vehicle  
248 used in combination therewith, which is used exclusively to transport  
249 freight for hire and: Is either subject to the jurisdiction of the United  
250 States Department of Transportation pursuant to Chapter 135 of Title  
251 49, United States Code, or any successor thereto, or would otherwise  
252 be subject to said jurisdiction except for the fact that the vehicle is used  
253 exclusively in intrastate commerce; has a gross vehicle weight rating in  
254 excess of twenty-six thousand pounds; and prior to August 1, 1996,  
255 was not registered in this state or in any other jurisdiction but was  
256 registered in this state on or after said date. (ii) For a period not to  
257 exceed five assessment years following the assessment year in which it  
258 is first registered, any new commercial truck, truck tractor, tractor and  
259 semitrailer, and vehicle used in combination therewith, not eligible  
260 under (i) of this subdivision, that has a gross vehicle weight rating in  
261 excess of fifty-five thousand pounds and was not registered in this  
262 state or in any other jurisdiction but was registered in this state on or  
263 after August 1, 1999. As used in this subdivision, "gross vehicle weight  
264 rating" shall have the same meaning as in section 14-1;

265 (B) Any person who on October first in any year holds title to or is  
266 the registrant of a vehicle for which he intends to claim the exemption  
267 provided in this subdivision shall file with the assessor or board of  
268 assessors in the municipality in which the vehicle is subject to property  
269 taxation, on or before the first day of November in such year, a written  
270 application claiming such exemption on a form prescribed by the  
271 Secretary of the Office of Policy and Management. Such person shall  
272 include information as to the make, model, year and vehicle  
273 identification number of each such vehicle, and any appurtenances  
274 attached thereto, in such application. The person holding title to or the  
275 registrant of such vehicle for which exemption is claimed shall furnish  
276 the assessor or board of assessors with such supporting documentation  
277 as said secretary may require, including, but not limited to, evidence of  
278 vehicle use, acquisition cost and registration. Failure to file such  
279 application in this manner and form within the time limit prescribed

280 shall constitute a waiver of the right to such exemption for such  
281 assessment year, unless an extension of time is allowed as provided in  
282 section 12-81k. Such application shall not be required for any  
283 assessment year following that for which the initial application is filed,  
284 provided if the vehicle is modified, such modification shall be deemed  
285 a waiver of the right to such exemption until a new application is filed  
286 and the right to such exemption is established as required initially.  
287 With respect to any vehicle for which the exemption under this  
288 subdivision has previously been claimed [, the person shall also  
289 include information as to any modifications made to the vehicle  
290 subsequent to the assessment date with respect to which said  
291 exemption was previously claimed. Failure to file such application in  
292 this manner and form within the time limit prescribed shall constitute  
293 a waiver of the right to such exemption for such assessment year,  
294 unless an extension of time is allowed as provided in section 12-81k] in  
295 a town other than that in which the vehicle is registered on any  
296 assessment date, the person shall not be entitled to such exemption  
297 until a new application is filed and the right to such exemption is  
298 established in said town;

299 (C) With respect to any vehicle which is not registered on the first  
300 day of October in any assessment year and which is registered  
301 subsequent to said first day of October but prior to the first day of  
302 August in such assessment year, the value of such vehicle for property  
303 tax exemption purposes shall be a pro rata portion of the value  
304 determined in accordance with subparagraph (D) of this subdivision,  
305 to be determined by a ratio, the numerator of which shall be the  
306 number of months from the date of such registration, including the  
307 month in which registration occurs, to the first day of October next  
308 succeeding and the denominator of which shall be twelve. For  
309 purposes of this subdivision the term "assessment year" means the  
310 period of twelve full months commencing with October first each year;

311 (D) Notwithstanding the provisions of section 12-71d, the assessor  
312 or board of assessors shall determine the value for each vehicle with

313 respect to which a claim for exemption under this subdivision is  
314 approved, based on the vehicle's cost of acquisition, including costs  
315 related to the modification of such vehicle, adjusted for depreciation in  
316 accordance with the schedule set forth in section 12-94c.

317       Sec. 10. This act shall take effect from its passage and sections 2 to 9,  
318 inclusive, shall be applicable to assessment years commencing on and  
319 after October 1, 2000.

***Statement of Purpose:***

To provide that payments in lieu of tax revenue sustained by municipalities as a direct result of the restructuring of the electric industry are remitted to them in the year they sustain the loss; to eliminate the requirement that the Office of Policy and Management prescribe certain property assessment and exemption related forms, to eliminate the annual filing of an exemption application for eligible commercial vehicles, and to delete incorrect references to the Office of Policy and Management in certain property tax exemption statutes.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*